



U.S. 60 Water District

PO Box 97
Bagdad, KY 40003
(502) 747-8942

October 15, 2007

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PUBLIC SERVICE
COMMISSION

Mark D. Goss, Chairman
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Re: Case No. 2007-00134
Kentucky-American Certificate
of Convenience and Necessity

Dear Chairman Goss:

Attached please find the resolution of the US 60 Water District Board of Commissioners asking the COMMISSION to consider the needs of all of central Kentucky by requiring Kentucky-American to construct a pipeline to connect to the Louisville Water Company at Shelbyville. Public policy cries out for leadership in solving all of central Kentucky's water woes not just Lexington and Kentucky-American's.

A pipeline connection to Louisville meets the long term needs of the entire region, adds to the drought-proofing needs, protects against localized catastrophe, is cost effective for the ratepayers and will do a minimum amount of damage to the environment. This solution also meets the statutory requirements about wasteful duplication of services.

Thank you for asking for input from the entire region. This decision will have impact on the ratepayers and the region for 30-50 years.

Yours truly,

William Eggen, Chairman

WE:pcb

cc: Warner Broughman, Engineer
Darrell Dees, Manager

U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY

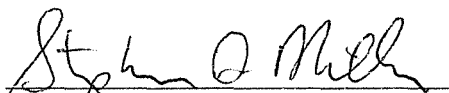
WHEREAS, the Board of Commissioners (the "Board") of the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky ("U.S. 60 Water District") desires for the residents of Shelby, Franklin and Spencer Counties to be provided a safe, secure, stable and quality water supply; and

WHEREAS, to this end the Board is aware of various proposals to ensure that Shelby, Franklin and Spencer County residents are provided a continuing safe, secure, stable and quality water supply, and U.S. 60 Water District is familiar with the various proposals which have been submitted to the Kentucky Public Service Commission,

NOW, THEREFORE, BE IT RESOLVED that:

1. U.S. 60 Water District supports a water supply strategy that includes access to water from the Ohio River, the largest river east of the Mississippi, for the reason that this access will provide protection against drought, and will protect against interruption of the public water supply due to circumstances that may make the Kentucky River unusable or unavailable for periods of time.
2. The existing water source for U.S. 60 Water District, being the Kentucky River, while marginally adequate in capacity at this time except for severe drought conditions, will not be adequate in the future even for ordinary non-drought levels of consumption, and having a second source of water would protect against contamination of the Kentucky River by an accident or an act of terrorism, and would further protect against severe drought conditions.
3. U.S. 60 Water District opposes the construction by Kentucky American Water Company of a large pipeline through western portions of Scott County and the northern portions of Franklin County, and the associated water production facilities along Pool 3 of the Kentucky River, under the terms of that pipeline proposal currently under application with the Kentucky Public Service Commission in Case No. 2007-00134. The Board is of the position that the proposed construction will be unnecessarily burdensome on citizens of Central Kentucky, and will unnecessarily duplicate available water supply facilities that the Louisville Water Company has indicated it can supply to Central Kentucky at a rate of ninety-five (95) million gallons per day of treated water.
4. U.S. 60 Water District supports and urges discussions between all interested parties, including Kentucky-American Water Company, the Lexington Fayette Urban County Government and Louisville Water company, regarding a connection between these two major regional water supplies so that there will be ample, reliable, safe and quality water supplied in a timely manner to Shelby, Franklin and Spencer Counties, and the rest of central Kentucky region.

ADOPTED this 18th day of September, 2007, at Bagdad, Kentucky.


Stephen D. Miller, Secretary


William Eggen, Chairman